
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 974-1629

TO: School Corporations

FROM: Courtney Schaafsma, Budget Division Director

RE: Capital Projects Fund Plan Template and Notices for Budget Year 2015

DATE: May 30, 2014

Pursuant to IC 20-46-6-11 and 50 IAC 9, a school corporation desiring to have a Capital Projects Fund (“CPF”) budget or tax levy must adopt a CPF Plan (“Plan”) for the upcoming budget year. The school corporation must provide its taxpayers with proper notice of both the proposed Plan and the adopted Plan. The Department of Local Government Finance (“Department”) is providing the attached templates to assist school corporations in meeting these notice and plan adoption requirements.

Notice to Taxpayers

The Notice to Taxpayers notifies taxpayers of the date, time, and location at which a public hearing will be held on the proposed Plan. In addition to this information, the Notice to Taxpayers provides a summary of the proposed Plan, which includes proposed expenditures from the CPF for the ensuing budget year. For each category of expenditures, certain CPF-specific departments correspond to the information that should be provided on the Notice to Taxpayers. The Notice to Taxpayers specifies the budgetary departments to be included in each category on the Notice to Taxpayers. Please note that only departments associated with the CPF should be included in these categories.

In addition to the proposed expenditures, the Notice to Taxpayers must identify the sources of revenue that will be available to fund the Plan. The detailed items to be included in the Notice to Taxpayers are as follows:

REVENUES

- Projected January 1 Cash Balance for the year identified.
 - This should be the cash balance projected at the start of the budget year, January 1, 2015.
- Encumbrances Carried Forward from Previous Year.
 - These are encumbrances anticipated to be carried over from 2014 into the 2015 budget year.
- Estimated Cash Balance Available for the Plan – Calculated by subtracting the encumbrances identified above from the projected January 1 cash balance.
- Property Tax Revenue – Proposed property tax levy for the year identified.

- Auto Excise, CVET, and FIT Receipts – Estimated revenues for the year identified.
- Other Revenue – Includes interest income and any other available or anticipated revenues not identified above.

PLEASE NOTE: The property tax revenue value identified on the Notice to Taxpayers for the ensuing budget year will be used as a determining factor by the Department in approving the corresponding levy. An erroneous entry for Property Tax Revenue for the ensuing budget year can result in a reduced or denied levy for the CPF. Please ensure that this value is correct prior to submitting the Notice to Taxpayers to the newspaper(s) for publication. On the attached template, you will notice that this cell is highlighted in yellow. This highlight will go away once a value is entered in this cell. In addition, you will see two warning messages to the right of the cell. Before a value is entered into the cell, the warning will read, “Please enter the proposed tax levy for the budget year.” After a value is entered, the warning will read, “Please ensure correct proposed tax levy prior to publication of this notice.” These warnings are for information purposes only and are not to be published.

Lastly, the Notice to Taxpayers provides details on the Allocation for Future Projects. For school corporations that have an Allocation for Future Projects amount identified, each project included in this amount must be identified. The projects will be broken out into two categories: new projects that have not previously been advertised and allocations that have been previously advertised. New projects identified on the Notice to Taxpayers will be subject to objections during the objection period after the publication of the Notice of Adoption. Projects that were previously advertised will not be subject to objection during this time period.

Notice of Adoption

The Notice of Adoption template attached mirrors the Notice to Taxpayers. The same specifications outlined above regarding the amounts to be identified on each line also apply to the Notice of Adoption. Likewise, the sources of revenue outlined above are also provided in the Notice of Adoption. Again, **it is imperative that the correct property tax revenue for the ensuing budget year is published in the Notice of Adoption. This value will be used as a determining factor by the Department in approving the corresponding levy.**

The Notice of Adoption should be published within ten days of the date of adoption of the Plan. Ten or more taxpayers may file an objection petition with the auditor of the county in which the school corporation is located not later than ten days after the Notice of Adoption is published. Taxpayers may object to any new or modified items in the Plan, but may not object to projects that were previously included in the Plan (and therefore previously subject to objection). At the close of the ten-day objection period, if no petition is filed, the school corporation must obtain from the auditor a certification that no objection petition was filed. This certificate must be provided to the Department.

If an objection petition is filed, the auditor must immediately forward the petition to the Department. The Department will then schedule a hearing on the petition in the county in which the school corporation is located. After the hearing, the Department will certify its approval, disapproval, or modification of the Plan to the school corporation and the auditor.

Capital Projects Fund Plan

The attached Plan template is the same template that has been used for the last several years. The only change has been to update the years shown on the plan for the purposes of annualization.

A common question received by the Department on the Plan is what year of expenditure information should be included on the Main tab. As shown on the Main tab, this information should be for the current budget year, which is currently the 2014 budget year. The format of the Plan as required by 50 IAC 9-1-6 requires that the school corporation provide its current annual operating budgets.

The Department encourages all school corporations to adopt their Plan early to allow sufficient time for a Department hearing and review of objections to the Plan, as applicable.

Accurate completion of the attached notices and appropriate publication of these notices is crucial for the successful and timely completion of budget reviews by the Department. Your assistance in meeting these requirements is appreciated.

If you have any questions on the attached notices or Plan template, please contact Courtney Schaafsma, Budget Division Director, at cschaafsma@dlgf.in.gov or (317) 234-3937.